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Working Paper 2020-9

Creating an Enabling Environment for the Social and Solidarity Economy through Public Policies in Durban, South Africa

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prepared for the UNRISD project on
Promoting SSE through Public Policies:
Guidelines for Local Governments

September 2020

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Acronyms

BBBEE	Broad-based Black Economic Empowerment
BRICS	Brazil, Russia, India, China, South Africa
CBDA	Cooperative Banks Development Agency
CCMA	Commission for Conciliation, Mediation and Arbitration
CDP	Cooperative Development Plan
CFI	Cooperative Financial Institutions
CIPIIC	Companies Intellectual Property Commission
CIS	Cooperatives Incentive Scheme
COFISA	Cooperative Financial Institutions of South Africa
CPAS	Community Participation and Action Support
CSE	Centre for Social Entrepreneurship
DCCI	Durban Chamber of Commerce and Industry
DDG	Deputy Director-General
DSBD	Department of Small Business Development
DSD	Department of Social Development
DUT	Durban University of Technology
eTMM	eThekweni Metropolitan Municipality
ETU	Education and Training Unit
GDP	Gross Domestic Product
GPSE	Green Paper on the Social Economy
GSEF	Global Social Economy Forum
IDC	Industrial Development Cooperation
ILO	International Labour Organisation
KZN	Kwa-Zulu Natal
M&E	Monitoring and Evaluation
NACFISA	National Association for Cooperative Financial Institutions of South Africa
NACSA	National Apex Cooperative of South Africa
NCASA	National Cooperative Association of South Africa
NGO	Non-governmental organisation
NPC	Non-profit company
NPI	Non-profit institution
NPO	Non-profit organisation
SANACO	South African National Apex of Cooperatives
SARS	South African Revenue Services
SEDA	Small Enterprise Development Agency
SEFA	Small Enterprise Financial Agency
SME	Small and medium-sized enterprises
SSE	Social and solidarity economy
SSEOE	Social and solidarity economy organisations and enterprises
UKZN	The University of KwaZulu-Natal
UNRISD	United Nations Research Institute for Social Development
ZAR	South African Rand

Acknowledgements

The researcher would like to acknowledge the following individuals and organizations for making this study possible:

- The United Nations Research Institute for Social Development (UNRISD) and the Global Social Economy Forum (GSEF) for—apart from initiating and providing the funding—overseeing the study and providing valuable input and support.
- The Department of Small Business Development (DSBD) and the following individuals who gave their time to participate in the study through interviews and also providing me with material to enrich their input and to serve as part of the literary survey.
 - Mr. Jeffrey Ndumo, the Deputy Director-General of Cooperatives
 - Ms. Smangele Manzi, the Director of Cooperatives, Area 2 in the Department of Economic Development and Tourism at the Kwa-Zulu Natal Provincial Legislature
 - Ms. Maria Swart and Ms. Dina Makhothong from the DSBD’s Company Intellectual Property Commission (CIPC) for providing me with statistics on cooperatives and other enterprises in South Africa
- The eThekweni Metropolitan Municipality and the following individuals who gave their time to participate in the study through interviews and providing me with material to supplement their input.
 - Dr Nuthan Maharaj; Senior Professional Planner, Policy, Strategy, Information & Research Department eThekweni Municipality: Economic Development and Investment Promotion Unit
 - Ms. Nonhle Memele; Programme Manager tasked with cooperatives in the Department of Business Support, Tourism and Markets Unit
 - Mr. Mbuyiselwa Ngobese; Programme Facilitator tasked with cooperatives in the Department of Business Support, Tourism and Market Unit
- The Durban Chamber of Commerce and Industry (DCCI) and the following individuals who gave their time to participate in the study through interviews and providing me with material to supplement their input.
 - Mr. Lucian Naidoo (Manager: Marketing and Communications)
 - Mr. Yolán Nagoor (Manager: Policy and Advocacy)
 - Ms. Nanana Sabela (Manager Enterprise Development)

My warmest appreciation to all the above-mentioned institutions and individuals for making this study possible with their enthusiastic participation and support.

Summary

An enabling environment for the social and solidarity economy (SSE) largely depends on policy co-construction with stakeholders, and their commitment to implement policy across all levels of government, especially at the local level. The city of Durban is emerging as an exemplar for creating an enabling environment for the SSE to flourish through the co-construction process of policy making with relevant stakeholders and the implementation of these policies in a consultation process.

Through the eThekweni Metropolitan Municipality (eTMM)¹ in the province of KwaZulu-Natal (KZN), the city experienced success in establishing an enabling SSE environment by means of its Cooperative Development Plan (CDP). Together with partners and stakeholders², the CDP delivered a model that serves as a tried and tested example to be replicated all over South Africa.

Following various socio-economic challenges, the country experienced a proliferation of SSE entities, and active³ registered SSE entities now represent between 16% and 18% of the total of all active registered enterprise entities of all sectors of South Africa. Within the national SSE landscape, the KZN province is a stronghold, accommodating 32% of all registered cooperatives and an estimated 20% of non-profit organizations (NPO) including social enterprises in South Africa.

Apart from enabling policies at the national level, important factors of the provincial government's success in the development of cooperatives for the eTMM area (Durban) lie in this local government's commitment to constructing and implementing the policy with the cooperation of all stakeholders.

The eTMM's CDP provides administrative and technical assistance and training to improve SSE performance and sustainability. The eTMM's assistance includes, but is not limited to:

- converting municipal work streams in areas such as cutting grass, cleaning, maintenance and others into worker cooperatives;
- providing hands-on training in response to identified needs;
- enhancing cooperation between SSE entities by using events such as business fairs as networking platforms;
- engaging stakeholders such as universities, the Small Enterprise Development Agency (SEDA), the Durban Chamber of Commerce and Industry (DCCI) and other relevant government departments to meet the demand for cooperatives' training programmes across all areas of operation and governance;
- providing specialized technological skills training;
- targeting worker cooperatives in eTMM which had newly converted to this status to equip them with the skills and resources for procurement;
- assisting cooperatives in completing administrative and bureaucratic documentation to approach cooperative banks within the area and/or government agencies as formal entities allowing them to access capital and services.

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